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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

DEBORAH DONOGHUE,

Plaintiff,

- against -

COMPLAINT

LOCAL.COM CORPORATION and
HEARST COMMUNICATIONS, INC.

Defendants.

DEBORAH DONOGHUE, by David Lopez, Esq., her attorney, complaining of the defendants, respectfully alleges the following upon information and belief except as to paragraph 2 which plaintiff alleges on personal knowledge:

JURISDICTION:

1. This action arises under the provisions of Section 16(b) of the Securities Exchange Act of 1934, as amended (the "Act"), 15 U.S.C. Section 78p(b), and jurisdiction is

conferred upon this court by Section 27 of the Act, 15 U.S.C. Section 78aa.

VENUE AND THE PARTIES:

2. Plaintiff is a security owner of LOCAL.COM CORPORATION, a Delaware corporation whose principal offices are located at 1 Technology Drive, Building G, Irvine, California 92618.

3. This action is brought in the right and for the benefit of LOCAL.COM CORPORATION which is named as a party defendant solely in order to have all necessary parties before the court.

4. At all times relevant hereto the common stock of LOCAL.COM CORPORATION was registered under Section 12(g) of the Act and traded on the NASDAQ National Market System through market makers located within this district.

5. Many of the transactions to be described herein were effect within the district.

6. At all times relevant to liability hereunder HEARST COMMUNICATIONS INC. was an insider of LOCAL.COM CORPORATION, to wit: a beneficial owner of more-than-10% of the common stock of LOCAL.COM CORPORATION.

7. HEARST COMMUNICATIONS INC. has a principal office at 300 West 57th Street, New York, New York 10019 and does business and is found within the district.

STATUTORY REQUISITES:

8. The violations to be described herein involve non-exempt securities in non-exempt transactions engaged in by non-exempt persons within the meaning of Section 16(b) of the Act and of the rules and regulations promulgated thereunder.

9. Demand for prosecution was made on LOCAL.COM CORPORATION on August 2, 2007, which demand was received by LOCAL.COM CORPORATION by facsimile transmission at approximately 11:24 A.M. Pacific time. The demand was repeated by first class mail posted the same day. Timely receipt was confirmed through a telephone call to plaintiff's counsel placed by Douglas Norman, Chief Financial Officer of LOCAL.COM CORPORATION, on August 2, 2007, at approximately 5:15 P.M. Eastern time.

10. LOCAL.COM CORPORATION has not collected the short-swing profits due to it. More than 60 days have expired since demand was made. Further delay in the filing of suit would be a futile gesture and is not required by the statute.

11. This action is brought within two years of the occurrence of the transactions described below or within two years of the date of the filing of reports by HEARST COMMUNICATIONS INC. with the Commission as required by 15 U.S.C. 78p(a) setting forth the substance of the transactions here complained of.

FIRST CLAIM FOR RELIEF:

12. At all times relevant hereto preceding July 31, 2007, HEARST COMMUNICATIONS, INC. was the owner of a Series A Warrant of LOCAL.COM CORPORATION under whose terms 597,015 shares of LOCAL.COM CORPORATION common stock were issuable upon exercise at a price of \$4.82 per share; and HEARST COMMUNICATIONS INC. was the owner of a Series B Warrant of LOCAL.COM CORPORATION under whose terms 597,015 shares of LOCAL.COM common stock were issuable upon exercise at a price of \$5.63 per share.

13. On July 31, 2007, as a result of arms-length negotiations between LOCAL.COM CORPORATION and HEARST COMMUNICATIONS INC. the exercise price of the Series A Warrant was reduced to \$4.32 per share and the exercise price of the Series B Warrant was reduced to \$5.13 per share.

14. Such discretionary reductions in the exercise prices of the Series A Warrant and of the Series B Warrant

were material changes in the terms of those warrants resulting in a deemed cancellation of the pre-existing warrants and a re-grant of new warrants.

15. The effect of such deemed re-granting is the deemed purchase on July 3 1, 2007, by HEARST COMMUNICATIONS INC. of all shares underlying the warrants, an aggregate of 1,194,030 shares.

16. HEARST COMMUNICATIONS INC. sold 746,269 shares of the common stock of LOCAL.COM CORPORATION on July 10, 2007; an additional 250,000 shares on July 12, 2007; an additional 87,500 shares on July 17, 2007; an additional 76,846 shares on July 24, 2007; and an additional 29,835 shares on July 25, 2007.

17. All such sales were on the open market, at higher prices than the deemed purchase price for shares underlying the re-granted Series A and Series B warrants and within six months of the purchases deemed to have been made upon the re-grants.

18. A detailed enumeration of the aforesaid sales appears at Exhibit A to this complaint and is incorporated herein by reference.

19. By reason of the foregoing sales and purchases or purchases and sales of shares beneficially owned by it within periods of less than six months while it was a more-

than-10% beneficial owner of LOCAL.COM CORPORATION, HEARST COMMUNICATIONS realized profits. The exact amounts are unknown to plaintiff pending an accounting but they are estimated to exceed \$2,500,000.00. Those profits inure to the benefit, and are recoverable by plaintiff on behalf, of LOCAL.COM CORPORATION.

SECOND CLAIM FOR RELIEF:

20. HEARST COMMUNICATIONS INC., during periods not barred by the statute of limitations preceding the date of the filing of the complaint in this suit, purchased and sold or sold and purchased equity securities or share equivalents of LOCAL.COM CORPORATION within periods of less than six months while an insider of LOCAL.COM CORPORATION.

21. By reason of such purchases and sales or sales and purchases within periods of less than six months while an insider of LOCAL.COM CORPORATION, HEARST COMMUNICATIONS INC. realized profits, the exact amounts thereof being unknown to plaintiff, which profits inure to the benefit, and are recoverable by plaintiff on behalf, of LOCAL.COM CORPORATION.

WHEREFORE, plaintiff demands judgment:

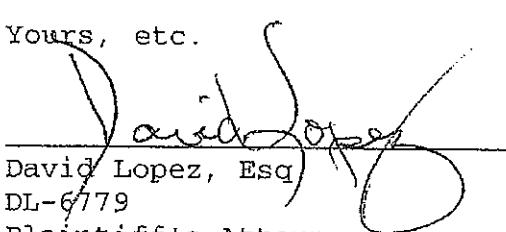
a) Requiring HEARST COMMUNICATIONS INC. to account for and to pay over to LOCAL.COM CORPORATION the short-

swing profits realized and retained by it in violation of Section 16(b) of the Act, together with appropriate interest and the costs of this suit.

- b) Awarding to plaintiff his costs and disbursements, including reasonable attorneys' fees; and
- c) Granting to plaintiff such other and further relief as the court may deem just and proper.

Dated: Southampton, New York
October 2, 2007

Yours, etc.



David Lopez, Esq
DL-6779
Plaintiff's Attorney

EXHIBIT A

**SALES OF SHARES OF
LOCAL.COM CORPORATION
COMMON STOCK
BY
HEARST COMMUNICATIONS INC.**

Date	# of Shares	Price Per Share (\$)	Aggregate Price (\$)
7/10/2007	17751	\$8.83	\$156,741.33
7/10/2007	33269	\$8.90	\$296,094.10
7/10/2007	10583	\$8.91	\$94,294.53
7/10/2007	6217	\$8.92	\$55,455.64
7/10/2007	8200	\$8.93	\$73,226.00
7/10/2007	19680	\$8.95	\$176,136.00
7/10/2007	11107	\$8.96	\$99,518.72
7/10/2007	5700	\$8.97	\$51,129.00
7/10/2007	10778	\$8.98	\$96,786.44
7/10/2007	10500	\$8.99	\$94,395.00
7/10/2007	76834	\$9.00	\$691,506.00
7/10/2007	2751	\$9.01	\$24,786.51
7/10/2007	5278	\$9.02	\$47,607.56
7/10/2007	2270	\$9.03	\$20,498.10
7/10/2007	500	\$9.04	\$4,520.00
7/10/2007	2800	\$9.05	\$25,340.00
7/10/2007	3400	\$9.06	\$30,804.00
7/10/2007	5384	\$9.07	\$48,832.88
7/10/2007	700	\$9.08	\$6,356.00
7/10/2007	34720	\$9.10	\$315,952.00
7/10/2007	9980	\$9.11	\$90,917.80
7/10/2007	600	\$9.14	\$5,484.00
7/10/2007	400	\$9.15	\$3,660.00
7/10/2007	3052	\$9.20	\$28,078.40
7/10/2007	88851	\$9.50	\$844,084.50
7/10/2007	5640	\$9.51	\$53,636.40
7/10/2007	6784	\$9.52	\$64,583.68
7/10/2007	10400	\$9.53	\$99,112.00
7/10/2007	19730	\$9.54	\$188,224.20
7/10/2007	17210	\$9.55	\$164,355.50
7/10/2007	11100	\$9.56	\$106,116.00
7/10/2007	5200	\$9.57	\$49,764.00
7/10/2007	3420	\$9.58	\$32,763.60
7/10/2007	480	\$9.59	\$4,603.20

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7/10/2007	3403	\$9.60	\$32,668.80
7/10/2007	697	\$9.61	\$6,698.17
7/10/2007	100	\$9.62	\$962.00
7/10/2007	200	\$9.63	\$1,926.00
7/10/2007	1500	\$9.69	\$14,535.00
7/10/2007	53200	\$9.70	\$516,040.00
7/10/2007	500	\$9.80	\$4,900.00
7/10/2007	300	\$9.81	\$2,943.00
7/10/2007	2200	\$9.82	\$21,604.00
7/10/2007	1500	\$9.83	\$14,745.00
7/10/2007	1700	\$9.84	\$16,728.00
7/10/2007	1100	\$9.86	\$10,846.00
7/10/2007	1600	\$9.88	\$15,808.00
7/10/2007	3100	\$9.89	\$30,659.00
7/10/2007	2300	\$9.90	\$22,770.00
7/10/2007	2725	\$9.91	\$27,004.75
7/10/2007	2030	\$9.92	\$20,137.60
7/10/2007	1475	\$9.93	\$14,646.75
7/10/2007	970	\$9.94	\$9,641.80
7/10/2007	2400	\$9.95	\$23,880.00
7/10/2007	3300	\$9.96	\$32,868.00
7/10/2007	2300	\$9.98	\$22,954.00
7/10/2007	100	\$9.99	\$999.00
7/10/2007	32282	\$10.00	\$322,820.00
7/10/2007	13200	\$10.01	\$132,132.00
7/10/2007	15254	\$10.02	\$152,845.08
7/10/2007	4455	\$10.03	\$44,683.65
7/10/2007	6800	\$10.04	\$68,272.00
7/10/2007	6016	\$10.05	\$60,460.80
7/10/2007	16300	\$10.06	\$163,978.00
7/10/2007	2250	\$10.07	\$22,657.50
7/10/2007	2938	\$10.08	\$29,615.04
7/10/2007	3100	\$10.09	\$31,279.00
7/10/2007	7280	\$10.10	\$73,528.00
7/10/2007	1550	\$10.11	\$15,670.50
7/10/2007	12700	\$10.12	\$128,524.00
7/10/2007	2600	\$10.13	\$26,338.00
7/10/2007	6625	\$10.14	\$67,177.50

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7/10/2007	4000	\$10.15	\$40,600.00
7/10/2007	3750	\$10.16	\$38,100.00
7/10/2007	700	\$10.17	\$7,119.00
7/10/2007	8300	\$10.19	\$84,577.00
7/10/2007	6000	\$10.20	\$61,200.00
7/10/2007	100	\$10.23	\$1,023.00
7/10/2007	400	\$10.37	\$4,148.00
7/10/2007	800	\$10.48	\$8,384.00
7/10/2007	100	\$10.50	\$1,050.00
7/10/2007	3300	\$10.51	\$34,683.00
7/10/2007	300	\$10.62	\$3,186.00
7/10/2007	1000	\$10.63	\$10,630.00
7/10/2007	1600	\$10.64	\$17,024.00
7/10/2007	3300	\$10.65	\$35,145.00
7/10/2007	5000	\$10.66	\$53,300.00
7/10/2007	2900	\$10.67	\$30,943.00
7/10/2007	4000	\$10.68	\$42,720.00
7/10/2007	4000	\$10.69	\$42,760.00
7/10/2007	2200	\$10.70	\$23,540.00
7/10/2007	900	\$10.71	\$9,639.00
7/10/2007	500	\$10.72	\$5,360.00
7/10/2007	100	\$10.73	\$1,073.00
7/10/2007	3200	\$10.74	\$34,368.00
7/10/2007	1600	\$10.75	\$17,200.00
7/10/2007	1700	\$10.78	\$18,326.00
7/10/2007	750	\$10.80	\$8,100.00
7/10/2007	1050	\$10.81	\$11,350.50
7/10/2007	3200	\$10.82	\$34,624.00
7/10/2007	100	\$10.84	\$1,084.00
7/10/2007	50	\$10.85	\$542.50
7/10/2007	5900	\$10.88	\$64,192.00
7/10/2007	150	\$10.89	\$1,633.50
7/10/2007	100	\$10.95	\$1,095.00
7/10/2007	1900	\$10.98	\$20,862.00
7/12/2007	99653	\$9.00	\$896,877.00
7/12/2007	7400	\$9.01	\$66,674.00
7/12/2007	940	\$9.02	\$8,478.80
7/12/2007	3611	\$9.03	\$32,607.33
7/12/2007	1400	\$9.035	\$12,649.00

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BY
HEARST COMMUNICATIONS INC.**

Date	# of Shares	Price Per Share (\$)	Aggregate Price (\$)
7/17/2007	11069	\$9.03	\$99,953.07
7/17/2007	9831	\$9.04	\$88,872.24
7/17/2007	6500	\$9.05	\$58,825.00
7/17/2007	60100	\$9.06	\$544,506.00
7/24/2007	34800	\$8.00	\$278,400.00
7/24/2007	2300	\$8.01	\$18,423.00
7/24/2007	500	\$8.02	\$4,010.00
7/24/2007	600	\$8.025	\$4,815.00
7/24/2007	3300	\$8.04	\$26,532.00
7/24/2007	7200	\$8.05	\$57,960.00
7/24/2007	1100	\$8.06	\$8,866.00
7/24/2007	3000	\$8.065	\$24,195.00
7/24/2007	2400	\$8.07	\$19,368.00
7/24/2007	700	\$8.08	\$5,656.00
7/24/2007	100	\$8.09	\$809.00
7/24/2007	9700	\$8.10	\$78,570.00
7/24/2007	1300	\$8.11	\$10,543.00
7/24/2007	3100	\$8.20	\$25,420.00
7/24/2007	3500	\$8.25	\$28,875.00
7/24/2007	2700	\$8.26	\$22,302.00
7/24/2007	500	\$8.27	\$4,135.00
7/24/2007	46	\$8.28	\$380.88
7/25/2007	13635	\$8.00	\$109,080.00
7/25/2007	1600	\$8.03	\$12,848.00
7/25/2007	1700	\$8.04	\$13,668.00
7/25/2007	900	\$8.05	\$7,245.00
7/25/2007	8000	\$8.06	\$64,480.00
7/25/2007	300	\$8.07	\$2,421.00
7/25/2007	3400	\$8.09	\$27,506.00
7/25/2007	300	\$8.10	\$2,430.00